[Rao Bahadur A. Rengasvami Aiyar.]

Rs 23·74 lakhs as against the original budget estimate of Rs 16·77 lakhs. In the result, a net outgoing of Rs 27·95 lakhs is expected at the close of the year as against the budget estimate of Rs 22·23 lakhs. The Government Account balance which was Rs 108·22 lakhs at the beginning of the year is thus expected to be reduced to Rs 80·27 lakhs at its close.

BUDGET ESTIMATES FOR 1112.

8. The following minor changes in classification have also been made in the Budget Estimates for the next year.

The Co-operative department which was one of the minor heads under Scientific and Miscellaneous departments has been shown as a separate major head 23—Co-operative Department. The minor head "Public Service Commissioner" has been transferred from Scientific and Miscellaneous departments to General Administration as 15 D. On the revenue side, a new minor head "Pallivasal Hydro-Electric Scheme—Working Expenses' has been opened for the revenue account of the scheme which is expected to supply current from Makaram next. The minor head "Dairy Farm" has been retransferred and shown under the major head "21—Agriculture and Fisheries."

9. I may also here refer to the recent loan. Honourable members would have noted the phenomenal and tremendous success of our recent loan, the first one of its kind in recent years, which testifies unmistakably to the strong credit of our State in the Indian Money market and the confidence it commands among the Indian public. We received applications for B. Rs 280 lakhs against a demand of Rs 50 lakhs and an allotment of 18 per cent is being made. Provision has been made in the budget estimates of next year for the advance interest and interest for one half year falling due during the next year. The estimated yield of B. Rs 50 lakhs has been shown under "Suspense" in the revised estimates and under "Loans" in the budget estimates of the next year. With a view partly to meet the recurring interest charges on the loan and also in view of the fact that the Government of India have reduced their interest rate on Savings Banks Accounts to 2 per cent with effect from 1st July 1936, it is proposed to reduce the interest rate on Savings Bank Accounts in the State to 3 per cent from 1st Chingam 1112. It will also be necessary to provide a sum of about Rs 1·76 lakhs for sinking funds annually for the liquidation of this loan when it matures. The question regarding the exact amount of provision to be made and whether it should be met from general revenues or

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from surplus profits of the remunerative Capital schemes undertaken by Government or partly from both the sources will be considered later on after the excess subscriptions received for the loan are refunded and the exact amount of the loan is ascertained.

10. I shall now pass on to the budget estimates of the coming year. The revenue is estimated at Rs 245·92 lakhs, and an expenditure charged to revenue of Rs 242·38 lakhs has been provided thus leaving a revenue surplus of Rs 3·54 lakhs. Sale of Government lands is expected to bring in Rs 1·50 lakhs and our programme of capital expenditure on non-productive works is estimated at Rs 43·24 lakhs, the productive works aggregating to Rs 34·78 lakhs being provided under Debt Heads. We shall thus be drawing from our accumulated surplus, Rs 38·20 lakhs for our capital expenditure on non-productive works.

Revenue.

11. The Revenue budgeted for the ensuing year is Rs 245·92 lakhs as against the current year's revised estimate of Rs 229·28 lakhs. While improvement in revenue to the extent of Rs 17·71 lakhs is expected under some of the major heads especially Land Revenue, Customs, Interest and Industries, decreases to the extent of Rs 1·07 lakhs are anticipated under others.

Land Revenue is expected to be better than the revised estimate by Rs 2·85 lakhs, the estimated fall in the current year being due to the general and special remissions of tax sanctioned by Government. The large increase under Customs is mainly due to the receipts from the Cochin Harbour Scheme which are expected to amount to Rs 24·51 lakhs in the next year as against the current year's receipt of Rs 13·39 lakhs. As a result of the negotiations between the Government of India, this Government and the Cochin Government, it is hoped that a revised agreement in regard to the Cochin Harbour Works will shortly be executed between the three parties concerned. The provision made under receipts includes a sum of Rs 7·72 lakhs being the duty on Jaffna and other tobacco collected by this Government and already pooled from 1931-35 for the purpose of division under the 1925 agreement, which will be refunded next year. Provision has also been made for a receipt of Rs 16·5 lakhs under this head, as against Rs 13·39 lakhs in the current year. A provision of Rs 18·36 lakhs has also been made in the budget for 1112 under Loans on the expenditure side to meet the share of this Government towards the expenditure on the 4th stage works and the cost of a dredger for the harbour.

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